

PREMIER TRANSMISSION LIMITED

TRANSPORTATION CODE

MODIFICATION RULES

Version 1.0 – 15th September 2000

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1. Introduction

- 1.1 Premier Transmission is required by Condition 2.3.4 of the Licence to establish and implement procedures for the modification of the Transportation Code so as to, inter alia, better facilitate the achievement of the relevant objective.
- 1.2 Premier Transmission is required, pursuant to Condition 2.3.5 of the Licence, to prepare a document, referred to in the Licence as “the modification Rules”, setting out the procedures for the modification of the Transportation Code. This document comprises the modification rules for the purposes of the Licence (these “**Rules**”). It also contains rules for changing these Rules.
- 1.3 Any modification to the Transportation Code shall be made in accordance with these Rules.
- 1.4 These Rules do not constitute part of the Transportation Code.
- 1.5 Unless the context otherwise requires, the definitions and rules of interpretation in the Appendix to these Rules shall apply.

2. Modification Proposal

- 2.1 The Director, Premier Transmission, and any Gas Supplier or Shipper may propose a modification to the Transportation Code (a “**Proposed Modification**”).
- 2.2 A Proposed Modification shall either be prepared and submitted by the Director, a Gas Supplier or a Shipper to Premier Transmission or be prepared by Premier Transmission (as the case may be) and include the following:
 - (a) a description of the nature and purpose of the modification;
 - (b) an indication of how the modification would better facilitate the relevant objective as compared with the existing provisions of the Transportation Code;
 - (c) a list of all the sections and parts of the Transportation Code that would require amending;
 - (d) the date proposed for the implementation of the modification and any end date; and
 - (e) any proposed text amending the Transportation Code.
- 2.3 Premier Transmission shall give each Proposed Modification a unique reference number.

- 2.4 Premier Transmission may, from time to time, determine, in its reasonable judgement, the form that a Proposed Modification should take.
- 2.5 Premier Transmission shall;
- (a) forward any Proposed Modification to the Gas Suppliers and the Shippers;
 - (b) forward any Proposed Modification to anyone who requests it;
 - (c) make any Proposed Modification otherwise available to persons in an appropriate manner where it is necessary for establishing whether the proposal would better facilitate the achievement of the relevant objective.

(collectively the “**Consultees**”) it being acknowledged that (b) and (c) above shall be achieved by publishing the Proposed Modification on a Premier Transmission website.

- 2.6 Premier Transmission shall, within 5 business days of the submission of a Proposed Modification to it, or in the case of a Proposed Modification proposed by Premier Transmission as soon as possible after preparing the same, forward the Proposed Modification to the Consultees.
- 2.7 Any person who has submitted a Proposed Modification may at any time, up to the submission of a Final Modification Report to the Director, request Premier Transmission to withdraw its Proposed Modification from the process described in these Rules. Premier Transmission shall withdraw the Proposed Modification unless, in the opinion or Premier Transmission, making the modification proposed would better facilitate the achievement of the relevant objective in which case Premier Transmission shall become the Proposer.

3. Initial Modification Report

- 3.1 Premier Transmission shall, after receiving or preparing a Proposed Modification, prepare an “**Initial Modification Report**” containing:
- (a) the Proposed Modification;
 - (b) where Premier Transmission has not made the proposal:
 - (i) and it believes that an alternative proposal would better achieve the relevant objective, that alternative;
 - (ii) Premier Transmission's opinion of the Proposed Modification;
 - (iii) any text which Premier Transmission may wish to propose as an alternative to that contained in the Proposed Modification;

(c) Without prejudice to sections 8.1(d) and (g), Premier Transmission's estimate of an implementation date if the Modification Proposal were to be approved by the Director pursuant to section 9.

3.2 Premier Transmission shall, subject to section 4.1 (a), issue an Initial Modification Report to the Consultees within 25 business days of receiving a Proposed Modification.

4. Preliminary View

4.1 Premier Transmission or any Consultee may, before an Initial Modification Report is issued, seek the preliminary view of the Director in relation to any matter arising in respect of any Proposed Modification, in accordance with this section 4, (a “**Preliminary View**”) including as to whether:

(a) the matter is sufficiently urgent to justify adopting a procedure which may result in the implementation of a Proposed Modification earlier than by following the procedure set out in these Rules;

(b) the Proposed Modification should be considered in an Alternative Procedure in accordance with section 10;

(c) any Alternative Procedure issued by Premier Transmission in accordance with section 10.7 should be adopted;

(d) the Proposed Modification should be rejected without further consultation;

(e) a meeting of Consultees shall be held in accordance with section 6.

4.2 Premier Transmission shall notify the Consultees and any Consultee shall notify Premier Transmission that it has sought a Preliminary View setting out the matter on which the Director's view is being sought and its reasons for doing so.

4.3 Premier Transmission and each Consultee shall be bound by the Director's Preliminary View in relation to any Proposed Modification.

5. Consultation Period

Each Consultee shall have 20 business days within which it may respond to an Initial Modification Report (the “**Consultation Period**”).

6. Consultation meetings

Any Consultee may request Premier Transmission to facilitate a meeting of Consultees to discuss a Modification Proposal where it considers it appropriate. If Premier Transmission does not consider one appropriate such Consultee may request a Preliminary View in relation to whether a meeting shall be held in accordance with section 4.1 (e).

7. Development Process

- 7.1 Where, following the Consultation Period, amendments should, in the opinion of Premier Transmission, be made to the Modification Proposal which will not change the aim stated in the Modification Proposal, such changes may be incorporated into the proposed wording contained in the Final Modification Report. Premier Transmission or any Consultee may propose any such amendments.
- 7.2 Where, following the Consultation Period, amendments should, in the opinion of Premier Transmission, be made to the Proposed Modification which will change the aim stated in the Proposed Modification, an alternative Proposed Modification will be issued for consultation containing such amendments (an “**Alternative Proposed Modification**”). Such alternative will be issued to the Consultees within 10 business days of the end of the Consultation Period for the first Modification Proposal. The Consultees will have 10 business days to respond to such alternative.

8. Final Modification Report

- 8.1 Subject to section 7.2 Premier Transmission will compile and submit a final modification report (a “**Final Modification Report**”) to the Director within 20 business days after the end of the Consultation Period.
- 8.2 If an Alternative Proposed Modification is prepared Premier Transmission will compile and submit a Final Modification Report to the Director in respect of the original Proposed Modification and the Alternative Proposed Modification, within 15 business days after the end of the Consultation Period for the Alternative Proposed Modification.
- 8.3 The Final Modification Report or (in the case of an Alternative Proposed Modification) both Final Modification Reports will contain:
- (a) any proposed text amending the Transportation Code;
 - (b) an indication of how the modification would better facilitate the relevant objective as compared with the existing provisions of the Transportation Code;
 - (c) the particulars of any representations or objections made (and not withdrawn) by any Gas Supplier or Shipper and other person who is likely to be materially

affected by the Proposed Modification and an explanation of how those representations or objections have been addressed;

- (d) Premier Transmission's recommendation of whether the Proposed Modification should or should not be made;
- (e) the factors which, in Premier Transmission's opinion, justify making or not making a Proposed Modification;
- (f) details of any amendment made in accordance with section 7.1 together with an explanation of why, in the opinion of Premier Transmission, the amendment should be made; and
- (g) the date proposed for the implementation of the Proposed Modification and any end date having regard to any system or procedural changes that may be necessary as a result of the modification. If such proposed date is different to that estimated by Premier Transmission pursuant to section 3.1(c), Premier Transmission will ensure that before completing the Final Modification Report Consultees will have been given a further opportunity to comment on Premier Transmission's latest proposed implementation date and will include in the Final Modification Report any views on implementation dates expressed by Consultees that differ to that proposed by Premier Transmission.

9. Determination and Implementation of Modification

9.1 The Director shall, after having received any Final Modification Report in relation to:

- (a) a Proposed Modification, determine whether it will, in the opinion of the Director, as compared to the existing provisions of the Transportation Code better facilitate the achievement of the relevant objective;
- (b) a Proposed Modification and an Alternative Proposed Modification, determine whether either of, or which of, such proposals will, in the opinion of the Director, as compared to the existing provisions of the Transportation Code better facilitate the achievement of the relevant objective

and inform Premier Transmission of its determination.

9.2 If the Director's determination is that it, or one of such proposals (as appropriate) will so facilitate such objective the Director shall direct Premier Transmission to implement the Proposed Modification or Alternative Proposed Modification (as appropriate) on the date proposed for its implementation in the Final Modification Report or such other date as the Director requires.

- 9.3 Premier Transmission shall comply with any direction given by the Director to make a modification to the Transportation Code in accordance with a Final Modification Report.
- 9.4 Premier Transmission shall promptly:
- (a) notify the Gas Suppliers and the Shippers and any other Consultees of any determination of the Director in relation to the implementation of a Proposed Modification or Alternative Proposed Modification (as appropriate); and
 - (b) provide a copy of any modification to the Transportation Code to the Director and the Gas Suppliers and Shippers and to any other Consultees.

10. Alternative Procedure for substantial review of part of the Transportation Code

- 10.1 Premier Transmission may, if it considers that any Proposed Modification would make such a significant change to the Transportation Code that the procedure set out in sections 2, 3 and 5 is not adequate to allow the Proposed Modification to be properly considered, request a Preliminary View as to whether an alternative procedure should be adopted in relation to it (an “**Alternative Procedure**”) in accordance with section 4.1 (b).
- 10.2 If the Director’s Preliminary View is that an Alternative Procedure should be adopted Premier Transmission shall prepare a document setting out:
- (a) Premier Transmission's reason for adopting an Alternative Procedure;
 - (b) an outline of the proposed Alternative Procedure including a proposed timetable but which shall provide each Consultee with not less than the Consultation Period in which to comment;
 - (c) any proposed amendment or addition to the Proposed Modification;
 - (d) details of any analysis it proposes is prepared to enable the Proposed Modification to be properly considered;
 - (e) details of any proposed working group or review group to consider the Proposed Modification.
- 10.3 Any such Alternative Procedure shall be forwarded to the Consultees along with the Proposed Modification.

- 10.4 A Consultee may, within 15 business days of the date that the Alternative Procedure was issued, submit to Premier Transmission any comments it may have on the Alternative Procedure including its availability to attend any meeting proposed in the procedure
- 10.5 Premier Transmission shall within 25 business days from the date that the Alternative Procedure was issued, finalise and issue to the Consultees, the Alternative Procedure which shall, subject to section 10.6, be adopted and followed.
- 10.6 A Consultee may, within 10 business days of the date that the Alternative Procedure was issued, request a Preliminary View as to whether the Alternative Procedure proposed should be adopted in accordance with section 4.1 (c).
- 10.7 Premier Transmission may, at any time, amend the Alternative Procedure with the consent of the Director or the unanimous agreement of the Gas Suppliers and the Shippers.

11. Extensions

Premier Transmission or any Consultee may, at any time, make a request to the Director for approval of an extension to the time scales outlined in these Rules. Where the Director has approved such a request, Premier Transmission shall inform the Consultees of the revised time scales.

12. Change Rules

- 12.1 Any modification to these Rules shall be made in accordance with the change rules set out in this section 12.
- 12.2 Premier Transmission, the Gas Suppliers and the Shippers may propose to amend these Rules by preparing an “**Application for Change**” which will include;
- (a) the proposed change including the proposed text;
 - (b) a description of the objective of the proposed change; and
 - (c) its proposed date of implementation

and in the case of the Gas Suppliers and the Shippers, by sending the Application for Change to Premier Transmission

- 12.3 Premier Transmission shall forward any Application for Change to the Gas Suppliers and the Shippers inviting their comments on it. Any such comments must be made within 15 business days of the date the Application for Change was forwarded or any

such shorter period as Premier Transmission may have requested the Director to approve and the Director shall have so approved.

12.4 Premier Transmission shall prepare a report including:

- (a) the Application for Change;
- (b) any such comments on it as the Gas Suppliers and the Shippers shall have made;
- (c) Premier Transmission's views on such comments and where it was submitted by a Gas Supplier or a Shipper the Application for Change;
- (d) any proposed text amending these Rules to incorporate the change.

12.5 If the Director approves the change to these Rules proposed in such report Premier Transmission shall provide the Gas Suppliers and the Shippers with 5 business days notice of the implementation of such change.

13. Notices

13.1 Any notice or other communication given or made by any person under these Rules shall be:

- (a) in writing and may be delivered by hand to the addressee, or sent by first class prepaid letter, to the address of the addressee or sent by fax to the addressee's fax transmission number specified in writing by the addressee or such other address or number as may be notified by a person from time to time in writing for this purpose; and
- (b) deemed to have been given or made and delivered, if by hand, when left at the relevant address, if by letter, on the second day after posting, and if by fax transmission between the hours of 09:00 and 17:00 on Monday to Thursday and between the hours of 09:00 and 16:00 on Friday, at the time of receipt by the sender of confirmation of transmission and otherwise at 09:00 on the next business day after transmission;
- (c) marked clearly and conspicuously for the attention of the relevant addressee.

13.2 If a communication by fax is received in an incomplete or illegible form:

- (a) if the addressee so requests (by telephone or otherwise), the sender shall promptly retransmit the communication to the addressee; and

(b) provided that the request for re-transmission was made within 24 hours after time of receipt (in accordance with section 13.1) of the first fax, the communication shall not be deemed to have been received until the time (whether or not between 09:00 and 17:00 hours) of receipt by the sender of confirmation of such retransmission.

13.3 No accidental omission or neglect in sending any notice or other communication to, or non-receipt of any or notice or other communication by, any person shall be capable of invalidating any act or thing done pursuant to these Rules.

THE APPENDIX

Definitions and Interpretation

Definitions

1. In these Rules:

“Alternative Procedure”	shall have the meaning set out in section 10.1;
“Alternative Proposed Modification”	shall have the meaning set out in Section 7.2;
“Application for Change”	shall have the meaning set out in Section 12.2;
“Consultation Period”	shall have the meaning set out in Section 5;
“Consultees”	shall have the meaning set out in section 2.5;
“Director”	shall mean the Director General of Gas for Northern Ireland;
“Final Modification Report”	shall be the meaning set out in section 8.1;
“Gas Supplier”	shall mean a person authorised, by licence under Article 8 of the Gas (Northern Ireland) Order 1996 or by exemption under Article 7 of such Order, to supply gas;
“Initial Modification Report”	shall have the meaning set out in section 3.1;
"Licence"	means the licence to convey gas granted to Premier Transmission under Article 8 (1) (a) of the Gas (Northern Ireland) Order 1996;
“Premier Transmission”	means Premier Transmission Limited;
“Proposed Modification”	shall have the meaning set out in section 2.1;
“Preliminary View”	shall have the meaning set out in section 4.1;
“Rules”	shall have the meaning set out in section 1.2;
"Shipper"	means a person other than Premier Transmission who, for the time being, has acceded to and is bound by the Transportation Code by an Accession Agreement;

“Transportation Code”

means the Transportation Code governing the relationship between Premier Transmission and each Shipper in relation to the transportation of gas on the Transportation System;

2. Interpretation

2.1 Unless the context otherwise requires, any reference in these Rules to:

2.1.1 **"including"** shall mean including but not limited to;

2.1.2 **"business day"** shall be construed as a reference to a day (other than a Saturday or Sunday) on which banks are generally open for business in London, England and Belfast, Northern Ireland;

2.1.3 a person shall be construed as a reference to any person, firm, company, corporation, government or agency of a state or any association or partnership (whether or not having separate legal personality) or two or more of the foregoing;

2.1.4 time shall be construed by reference to whatever time may from time to time be in effect in England; and

2.1.5 the singular shall include the plural and vice versa.

2.2 Headings in these Rules are for ease of reference only and shall not affect its construction.

2.3 References in these Rules to sections are to sections of these Rules.